

# PROPOSAL EVALUATION

## *Proposition 84 Integrated Regional Water Management (IRWM) Grant Program Implementation Grant, Round 2, 2013*

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<b>Applicant</b>	Gateway IRWM Authority	<b>Amount Requested</b>	\$ 13,516,686
<b>Proposal Title</b>	Gateway Integrated Multi-Benefit Regional Water Management Grant Proposal	<b>Total Proposal Cost</b>	\$ 17,996,086

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### PROJECT SUMMARY

The proposal includes 6 projects: (1) Pico Rivera Emergency Intertie Connection, (2) Signal Hill Advanced Groundwater Wellhead Treatment Facility, (3) Catch Basin Trash Inserts and Face Plate Screens, (4) Disadvantaged Communities Schools Retrofit Program, (5) Fernwood Water Improvement Park, and (6) Long Beach Graywater Program.

### PROPOSAL SCORE

Criteria	Score/ Max. Possible	Criteria	Score/ Max. Possible
Work Plan	9/15	Technical Justification	6/10
Budget	2/5		
Schedule	3/5	Benefits and Cost Analysis	21/30
Monitoring, Assessment, and Performance Measures	2/5	Program Preferences	8/10
Total Score (max. possible = 80)			51

### EVALUATION SUMMARY

#### WORK PLAN

The criterion is less than fully addressed and documentation is incomplete or insufficient. The work plan does not identify the IRWM plan goals or objectives, and the draft IRWMP (not yet adopted) is not included. Although each project contains an introduction that includes the goals and objectives of the proposal, it is unclear how the projects will meet the IRWMP goals other than ensuring “reliability of the City’s water supply source.” There is no discussion of the synergies or linkages between the projects, except to say they all address “water-related issues” of the region. Each project is a stand-alone project. Some of the projects discuss the work completed to date, but design plans and specifications were not included as attachments for any of the projects. There is a location map showing the boundaries of the proposal area but it does not indicate the locations of individual projects. All but one of the project descriptions include a map, but the project maps don’t show where the project fits into the region as a whole, except for the DAC school retrofit project. Project work plans contain significant omissions, errors, and inconsistencies. Some work plans are more detailed than others; some work plans do not contain adequate detail or completeness for some of the task descriptions.

## **BUDGET**

The Budgets for less than half of the projects in the Proposal have detailed cost information, many of the costs cannot be verified as reasonable, or supporting documentation is lacking for a majority of the Budget categories. The summary and individual project budgets provide breakdowns of the requested grant amount, other State funds, and cost share. However, the cost share funding sources are unclear for most projects and are just described as “general funds”. There are significant inconsistencies between the project budgets and the project work plans. Budget information does not match the work plan descriptions in several key areas. For example, the project 5 budget allocates \$125,997.02 to Planning, Design, Engineering, Environmental; however, the work plan provides no scope of work for this category and states that it is “not applicable to this project.” It is difficult to determine if detailed costs shown for each of the project are reasonable. Only three of the project budgets (projects 2, 3, and 6) include cost breakdown details.

## **SCHEDULE**

The criterion is less than fully addressed and documentation or rationales are incomplete or insufficient. While the schedule demonstrates a readiness to begin construction/implementation for all projects before October 2014, there are numerous inconsistencies between the schedules and the work plans. None of the schedules use the same task numbering system used in the work plans. All of the tasks in the work plans are organized into the same 6 categories; however the schedules are organized in these categories in a different order with some additions and exclusions or are presented as undifferentiated by task or subtask. For example, the project 5 schedule has no task/subtask breakdown, and includes a project design task which is not included in the work plan. Although the progression of the timelines appears reasonable for most of the projects, project administration tasks do not appear to extend over the length of the grant.

## **MONITORING, ASSESSMENT, AND PERFORMANCE MEASURES**

The criterion is marginally addressed and documentation is incomplete and insufficient. There is little mention of benefits claimed in the project performance measure tables or in the introduction. The information presented in the tables predominately addressed monitoring project implementation rather than the resulting benefits of the projects. For example, completion of the design report, project construction, and draft and final project reports are identified as project goals. With the exception of project 4 only one or two of the goals listed in each project performance measures Table for the rest of the projects specifically address the benefits of the projects. For the projects that do identify an expected benefit or project outcomes, half of the project tables do not identify appropriate or adequate measurement tools or targets. For example, the measurement tool for project 1 is not a tool or method but is an outcome (“water quantity available for transfer”).

## **TECHNICAL JUSTIFICATION**

The Projects appear to be lacking documentation that demonstrates the technical adequacy of the projects. Although the applicant does identify and describe the physical benefits of each project, some of them are not well described. For example project 3 claims a physical benefit of “trash elimination” but expresses it as a single percent of trash eliminated, and the target area (i.e. per city, whole watershed, a single stormwater basin) is not clear. In addition, further documentation is needed to fully justify the claims. For example, calculations of annual physical benefits are not provided for all benefits claimed. Project 4 lists five physical benefits (i.e., increased water use efficiency, decrease in water consumption, reduction in irrigated turf, reduction in urban runoff, and reduction in transport of pollutants on roads). The only quantified benefit is the reduction of water use at five schools; there is inadequate justification for the other benefits. The description of project 4 does not include a technical analysis of the water requirements of each service district or the adequacy of the project to meet the water supply demands of each district during an emergency.

## **BENEFITS AND COST ANALYSIS**

Collectively the proposal is likely to provide a high level of benefits in relationship to cost, but the quality of the analysis or clear and complete documentation is lacking. This application would fund an intertie among water agencies (project 1), wellhead treatment to enable potable water supply (project 2), screens to reduce trash entering stormwater systems (project 3), and three water conservation projects (projects 4, 5, and 6). Water supply benefits are valued at about \$1000 per acre-feet per year, conservatively, without real water price increases. More than 80% of costs are associated with projects 2 and 3. Project 3 appears to be economical. The quantified benefit of trash clean-up cost savings exceeds costs, and the benefit of not allowing the trash into waterways in the first place is not counted.

The project 2 facility would produce 1,700 acre-feet per year of potable water for a claimed cost of \$336 per acre-foot. However, most operating costs for the well appear to be excluded from Table 19. With these costs included, the cost of well water nearly doubles but the project is still economical.

Project 4 appears very economical. Project 5 appears economical, but most of the benefit is based on a unit value for land that is not well-documented, and land opportunity costs are not included. Project 6 does not appear to be economical; the cost per acre-foot of water saved is almost \$20,000.

### **PROGRAM PREFERENCES**

Applicant claims that three program preferences and seven statewide priorities will be met with project implementation. However, applicant demonstrates high degree of certainty and adequate documentation for nine of the Preferences claimed: (1) Include regional projects or programs; (2) Effectively integrate water management programs and projects within hydrologic region identified in the CWP; RWQCB region or subdivision; or other region or sub-region specifically identified by DWR; (3) Drought Preparedness; (4) Use and Reuse Water More Efficiently; (5) Climate Change Response Actions; (6) Expand Environmental Stewardship; (7) Practice Integrated Flood Management; (8) Protect Surface Water and Ground Quality; and (9) Ensure Equitable Distribution of Benefits.